



**A STUDY OF INCOME COMPOSITION OF THE FARMERS IN BERI BLOCK
OF JHAJJAR DISTRICT**

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ABSTRACT

India is a developing country where increasing poverty, unemployment, inequalities, inflation and so many severe economic problems are the concerns of mankind. More than 60 percent of our population earns livelihood from agriculture sector. The economic position of the farmers is not good especially of small and marginal farmers. The result is that the suicide rate of debt-drawn farmers is increasing day by day. Our government is trying to come out of this problem. This may be facilitated if we know how much of the annual income of the farmers comes from direct agricultural activities and how much comes from other sources of income such as animal husbandry, services, business, non-agricultural wages, rent, interest receipts, transfer payments, etc. In the present paper, an attempt has been made to know the income composition as well as the productive assets of the farmers in Haryana.

KEYWORDS: Household, Productive Assets, Income Composition, Marginal Farmer, Large Farmer, Small Farmer, Medium Farmer

Introduction

India is in that category which has produced increased unemployment, wide-spread under employment, Poverty, considerable inflation rate and a fall in real wages. He situation is more verse in agriculture sector where more than 60 percent of our population is engaged whether directly or indirectly. Indian agriculture suffers from low productivity, low quality awareness and rising imports. Droughts in 2014-15 reduced agricultural income substantially as over 60% of farming is rain dependent. Mechanised farming is not possible in over 65% of land holdings as they are less than one acre in size. And most

farmers cannot buy quality seeds or expertise as they have little money. Together these factors result in low crop yields or productivity for most farmers.

The Prime Minister had shared his “dream” first at a kisan rally. From there, it found formal mention in the finance minister’s Budget speech for 2016-17. Subsequently, the Centre even constituted a special inter-ministerial committee to prepare a blueprint for realising this dream. But if we want to double the income of our farmers really, first of all we have to know the composition of the income of the farmers. In this work an attempt has been made to know about the ‘INCOME COMPOSITION OF THE FARMERS IN BERI BLOCK OF JHAJJAR’ in rural Haryana. The present study is based on the field survey of Beri-Block of Jhajjar district.

Objectives

- 1) To study the income composition of the farmers in Block Beri of Jhajjar district.
- 2) To study the productive assets of the farmers in Block Beri of Jhajjar district.

Methodology

The present study is a primary data based study. The data is collected through a well scheduled interview method. Multistage random sampling technique was used for sample selection. At first stage, three villages were selected randomly from Beri-Block. After selecting the villages, 150 households were selected by proportionate random sampling technique from these villages. Out of these households, 62 marginal farmers, 45 small farmers, 28 medium farmers and 15 large farmers were selected. Simple averages and percentage method were used to draw the results.

Limitation of the Data

In the present study, every possible effort was made to get the accurate and reliable information from the respondents. Wherever, an impression of reliability was not felt the household was replaced by the same type of another household. Although the purpose of the survey was explained, yet some respondents reserved their knowledge in some aspects such as borrowing and lending, govt assistance, drinking habit etc. So the obtained data can differ from actual situation to some extent.

INCOME COMPOSITION OF THE FARMERS IN BERI-BLOCK

In this part, we will discuss how much of the annual income of the selected households comes from direct agricultural activities and how much comes from other sources of income such as animal husbandry, services, business, non-agricultural wages, rent, interest receipts, transfer payments, etc. The income composition of the farmers in Beri Block of Jhajjar district is shown in this table:

Income Composition of the Households in Beri-Block

Source of Income	Marginal Farm Households	Small farm Households	Medium farm Households	Large Farm Households	All farm Households
Farming	654720 (46.47)	694800 (56.19)	638680 (57.20)	476250 (60.56)	2464450 (54.18)
Animal Husbandry	356128 (25.27)	247950 (20.05)	190680 (17.07)	118710 (15.09)	913468 (20.08)
Business	199020 (14.12)	148500 (12.01)	135716 (12.15)	90825 (11.55)	574061 (12.62)
Services	112468 (7.98)	72450 (5.88)	33600 (3.00)	12075 (1.53)	230593 (5.07)
Other sources					
(I) Income From Rental property	46500 (3.30)	36630 (2.96)	29400 (2.63)	18600 (2.36)	131130 (2.88)
(II) Transfer Payment	39990 (2.83)	36000 (2.91)	19600 (1.75)	6750 (0.85)	102340 (2.25)
(III) Interest Receipt	-	-	68880 (6.16)	63150 (8.03)	132030 (2.90)
Total	1408826 (100.00)	1236330 (100.00)	1116556 (100.00)	786360 (100.00)	4548072 (100.00)

Source: - Survey of the Field

(Figures in the brackets represent percentage to the total)

It is clear from the table; the share of farming in annual income is 46.47 percent at marginal farm households, 56.19 percent at small farm households, 57.20 percent at medium farm households and 60.56 percent at large farm households. It is clear that the share of farming in annual income is increasing with the increase in holding size. The share of animal husbandry in annual income is 25.27 percent at marginal farm households, 20.05 percent at small farm households, 17.07 percent at medium farm households and it is 15.09 percent at large farm households. The share of animal husbandry in annual income is decreasing with the increase in holding size. It includes that marginal farmers are more involved in animal husbandry. They have to depend on animal husbandry comparatively more than large farmers for their livelihood. The share of business in annual income is 14.12 percent at marginal farmers, 12.01 percent at small farmers, 12.15 percent at medium farmers and 11.55 percent at large farmers. It is almost stable at different holding sized farmers. The share of service in annual income is 7.98 percent at marginal farm households, 5.98 percent at small farm households, 3.00 percent at medium farm households and only 1.53 percent at large farm households. It is clear that marginal and small farmers have to do some private jobs to earn their livelihood comparatively more than medium and large farmers.

But the share of service in their annual income is very small. The share of rent in annual income is 3.30, 2.96, 2.63 and 2.36 percent at marginal, small, medium and large farm households, respectively which is very small. The share of transfer payment in annual income is 2.83, 2.91, 1.75 and 0.85 percent on marginal, small, medium and large farm households respectively. The only source of transfer payment is old age pension given by the state government. The marginal farmers and small farmers receive no income in form of interest. 6.16 And 8.03 percent of annual income of medium and large farmers comes from interest receipts. This shows that the financial position of medium and large farmers is satisfactory.

In aggregate terms, all farm households get 54.18 percent of their annual income from direct agricultural activities, 20.08 percent get from animal husbandry, 12.62 percent get from business, 50.7 percent of their annual income comes from services, 2.88 percent from rental property, 2.25 percent from transfer payment and 2.9 percent from interest receipts. This is clear from the table that the main source of income is direct agricultural activities on all farm categories as well as on an average.

PRODUCTIVE ASSETS OF THE FARMERS IN BERI-BLOCK

In this section, we will discuss about the productive assets other than land of the sample households. The productive assets of the selected households in Beri Block of Jhajjar district is shown in this table:

Particulars of the productive assets other than land of different sized – farm households.

Items	Marginal farmers			Small Farmers			Medium farmers			Large farmers			Total farmers		
	Value of Assets in Rs.			Value of Assets in Rs.			Value of Assets in Rs.			Value of Assets in Rs.			Value of Assets in Rs.		
	No	Amount	%	No	Amount	%	No	Amount	%	No	Amount	%	No	Amount	%
Tractor/ Trolley	0	0	0.00	15	350000	28.13	20	6000000	81.23	15	6000000	83.40	50	12350000	74.95
Bullocks	11	44000	6.73	4	20000	1.60	2	14000	0.18	0	0	-	17	78000	0.47
Tube wells	40	423000	64.77	42	454000	36.49	38	423000	5.72	32	384000	5.33	152	1684000	10.22
Thrasher	-	-	-	8	120000	9.64	15	225000	3.04	15	225000	3.12	38	570000	3.45
Cultivator & Harrow	-	-	-	24	192000	15.43	40	490000	6.63	30	360000	5.00	94	1042000	6.32
Others	-	186000	28.48	-	108000	8.68	-	234000	3.16	-	225000	3.12	-	753000	4.57
Total	-	653000	100.00	-	1244000	100.00	-	7386000	100.00	-	7194000	100.00	-	16477000	100.00

Source: - Survey of the Field

(Figures in the brackets represent percentage to the total)

In this table, the productive assets other than land of different categories of farmers are explained. This shows the level of mechanization of agriculture. From the table, it is clear that marginal farm households keep 6.73 percent of their wealth other than land asset in form of bullocks, 64.77 percent in form of tube wells and 28.48 percent in form of other productive assets such as flour grinder, other agriculture equipments, etc. No sample household in this category has any tractor, thrasher, cultivator and harrow. They cultivate their farms either with the bullocks or with the hired tractors. The total value of the productive assets of the marginal farm households is 653000 Rs. Small farm households keep 28.13 percent of their productive assets other than land in form of tractors and trolleys. Only 1.6 percent productive assets are kept in form of bullocks which is very minimal, 36.49 percent productive assets are kept in form of tube wells, 9.64 percent are kept in form of thrashers and 15.43 percent are kept in form of cultivators and harrows. 8.68 percent productive assets other than land are kept by the small farm households in form of other productive assets. Medium farm households keep 81.23 percent of their productive assets other than land in tractors and trolleys, only 0.18 percent in bullocks, 5.72 percent in tube wells, 3.04 percent in farm of thrashers, 6.63 percent in form of cultivators and 3.16 percent in other productive assets. Large farm households keep 83.40 percent productive assets in form of tractors, 5.33 percent in form of tube wells, 3.12 percent in form of thrashers, 5.00 percent in form of cultivators and harrows and 3.12 percent of productive assets other than land are kept in other assets by the large farm households. It is clear from the table that the percentage share of tractors and trolleys in total productive assets is increasing with the increase in holding size. This shows that large farmers are using tractors comparatively more than the small farmers while the share of bullocks is decreasing with increase in holding size. This shows that small and marginal farmers are using bullocks comparatively more than the large farmers.

All farm households keep 74.95 percent of their productive assets in form of tractors and trolleys, 0.47 percent in form of bullocks, 10.22 percent in form of tube wells, 3.45 percent in thrashers and 6.32 percent in form of cultivators & harrows. The share of bullocks is very minimal while the share of tractors is very large. This shows that the use of machineries in agricultural activities has increased. But only large and medium farmers are using these equipments. Small and marginal farmers are not using these equipments at large scale, because their financial position does not permit them to have these equipments.

Implications:

This is clear from the study that the main source of income of farmers is direct agricultural activities on all farm categories as well as on an average. The use of machineries in agricultural activities has increased. But only large and medium farmers are using these equipments. Small and marginal farmers are not using these equipments at large scale because their financial position does not permit them to have these equipment. So if the government want to double the income of the farmers, the following steps may be taken:

1. Use of tractors and other equipments is low at marginal and small farm level. This should be increased. More credit facilities should be given to the farmers whose financial position is very weak. Low interest rate should be charged from marginal and small farmers as compared to medium and large farmers.
2. Cattle – breeding should be given more importance as a subsidiary occupation to agriculture. Farmers should be provided loans for the development of this occupation. They should be given more knowledge about this occupation to make it more beneficial.
3. Farmers should do the work of selling milk in cities and towns. Diaries should be run in villages. This will induce the farmers to produce more milk. Private diaries may be run for this purpose and those who want to open diary in villages should be provided low interest rate loans by the banks.
4. Fisheries may also be helpful in getting employment for the farmers. Necessary infrastructure, guidance, training, marketing and financing facilities should be provided to them by the government.
5. The farmers who have tractors and trolleys should be encouraged by the government agencies to put the soil or sand on the banks of canal and roads during the off season, rather than engaging the trucks for this purpose.
6. Small-scale industries like handloom industry should be established nearby the villages so that the farmers may be able to get work in these factories when they have no work at their farms.

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